

# **EVERYTHING YOU NEED TO KNOW ABOUT CODING**

**Steve Hamel, OPI  
MASBO New Clerk's Workshop  
June 2013**



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Montana  
**Office of Public Instruction**  
Denise Juneau, State Superintendent

# Coding Agenda

1. Overview
2. Expenditures
3. Revenue
4. Special situations
5. Paying Bills



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# Why?

1. Consistency – code consistently for budgeting purposes. This also applies to revenue codes
2. Data for legislature & federal government
3. Federal Program eligibility



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# Why ?

## Coding affects

- Special Ed Reversion
- Maintenance of Effort
- Legal Compliance with state and federal requirements.

Example = One-Time-Only payments.



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# School Accounting Manual

- **Use Online Version**

<http://www.opi.mt.gov/pdf/schoolfinance/SAM.pdf>

- Discard old paper copies!
- Quick review



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## Current Events

► SUPERINTENDENT'S OFFICE

▼ HOT TOPICS

[Revised Chapter 55  
Standards of Accreditation  
Posted](#)

► UPCOMING EVENTS

► LIVE VIDEO

□ MONTANA COMMON  
CORE STANDARDS

□ TECH READINESS TOOL

□ GRADUATION MATTERS

## New Student Advisory Board Holds First Meeting



School Finance

On October 11

and 12, I met with the 2012-2013 Student Advisory Board in Billings at the Yellowstone Art Museum to hear students' advice on how best to overcome the obstacles they face in their efforts to graduate from high school with the skills they need to be prepared for college and careers. The 32 students from 27 schools were nominated by local school and community members and selected to reflect the diverse voices and experiences of Montana students.



<http://opi.mt.gov/Finance&Grants/sch> School Finance

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ACCOUNTING

Accounting Information

Spreadsheets

GASB34

For Assistance with Accounting contact, 444.0783

Trustees Financial Summary

[TFS Reports](#)

School Accounting Manual

[School Accounting Manual](#)

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[Chart of Accounts](#) **NEW**

Accounting Guidance

[Accounting Guidance for the Multidistrict Cooperative Incentive Payments](#)

[Accounting Guidance for the Graduation Matters Montana Grant](#)

[Multidistrict Agreements FAQ](#)

[Guidance for 2009 ARRA](#)

[Guidance for 2007 Legislative Funding Components](#)

[Accounting for E-Rate Payments](#)

[Coding Payments Between Districts & Coops](#)

[Remittance Advice for Payments Between Districts & Coops](#)



# Account Structures

- Expenditure:

XXX-XX-XXX-XXXX-XXX-XXX

(commonly XXX-XXX-XXXX-XXX)

(Fund 15 XXX-XXX-XXXX-XXX-**XXX**)

- Revenue: XXX-XX-XXXX-XXX

(commonly XXX-XXXX)

(Fund 15 XXX-XXXX-**XXX**)



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# Account Structures

- **Expenditure:**

**XXX-XX-XXX-XXXX-XXX-XXX**

**(commonly XXX-XXX-XXXX-XXX)**

**(Fund 15 XXX-XXX-XXXX-XXX-XXX)**

- **Revenue:**

XXX-XX-XXXX-XXX

(commonly XXX-XXXX)

(Fund 15 XXX-XXXX-XXX)



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# Expenditure Accounts

**XXX-XX-XXX-XXXX-XXX-XXX**

<b>XXX</b>	District/Fund
<b>XX</b>	Operational Unit
<b>XXX</b>	Program
<b>XXXX</b>	Function
<b>XXX</b>	Object Code
<b>XXX</b>	Project Reporter Code



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# District/Fund

**XXX-XX-XXX-XXXX-XXX-XXX**

- First Digit:
  - **1XX** - Elementary District
  - **2XX** - High School District (Includes K-12)
  - **3XX** - Special Education Cooperative
- Last Two Digits Identify Fund



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# Budgeted Funds

## Characteristics:

- Possibly financed in part by local property tax levy
- Expenditures limited by budget--not cash balance

## • Budgeted Funds:

- General (01)
- Transportation (10)
- Bus Depreciation (11)
- Tuition (13)
- Retirement (14)
- Adult Ed (17)
- Non-Operating (19)
- Technology (28)
- Flexibility (29)
- Debt Service (50)
- Building Reserve (61)



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# Non-Budgeted Funds

## Characteristics:

- Financed entirely by non-levy revenues
- Expenditures limited by cash balance

## • Non-Budgeted Fund examples:

- School Foods (12)
- Misc. Programs (15)
- Comp. Absences (21)
- Impact Aid (26)
- Building (50)
- Student Activities (84)



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# Determining Proper Fund

- Law – look it up!
- Chart of Accounts Matrices
- Trustee Discretion
  - Consistency with fund purpose
  - Budgeting considerations
- Allocating Between Elem and High School Districts, ARM 10.10.303
  - Consistency
  - Basis for allocation



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# Operational Unit

XXX-XX-XXX-XXXX-XXX-XXX

- Optional
- Track Costs By:
  - Building
  - Budget Area
- No Code Restrictions



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# Program Code

XXX-XX-XXX-XXXX-XXX-XXX

- 1XX** Regular Programs
- 2XX** Special Programs
- 3XX** State Grants
- 4XX** Federal Grants
- 5XX** Non-Public School Programs
- 6XX** Adult Education Programs
- 7XX** Extracurricular Programs
- 8XX** Community Services Programs
- 9XX** Enterprise Programs
- 999** Undistributed



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# Function Code

XXX-XX-XXX-XXXX-XXX-XXX

**1XXX**

Instruction

**2XXX**

Support Services

**3XXX**

Non-Educational

**4XXX**

Facilities Acquisitions

**5XXX**

Debt Service

**6XXX**

Other Financing Uses

**9999**

Undistributed



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# Object Code

XXX-XX-XXX-XXXX-XXX-XXX

- 1XX** Personal Services - Salaries
- 2XX** Personal Services - Employee Benefits
- 3XX** Purchased Professional and Technical Services
- 4XX** Purchased Property Services
- 5XX** Other Purchased Services
- 6XX** Supplies and Materials
- 7XX** Property and Equipment Acquisition
- 8XX** Other Expenditures
- 9XX** Other Uses of Funds



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# Account Structures

- Expenditure:

XXX-XX-XXX-XXXX-XXX-XXX

(commonly XXX-XXX-XXXX-XXX)

(Fund 15 XXX-XXX-XXXX-XXX-**XXX**)

- **Revenue:**

**XXX-XX-XXXX-XXX**

**(commonly XXX-XXXX)**

**(Fund 15 XXX-XXXX-XXX)**



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# Revenue Accounts

**XXX-XXXX-XXX**

**XXX**

District/Fund

**XXXX**

Revenue Source

**XXX**

Project Reporter Code



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# Revenue Source

## **XXX-XXXX-XXX**

- **1XXX** Local Sources
- **2XXX** County Sources
- **3XXX** State Sources
- **4XXX** Federal Sources
- **5XXX** Other Financing Sources
- **6XXX** Beginning Fund Balance Adjustments



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# Project Reporter Code

XXX-XX-XXX-XXXX-XXX-XXX

XXX-XXXX-XXX

- Required in Fund 15
- Optional elsewhere
- Codes
  - ✓ Assigned at district discretion
  - ✓ 910 - 999 reserved by OPI



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# Pay Special Attention To:

- **Fixed Assets:** XXX-XXX-XXXX-7XX
  - “Capitalization policy”
    - Determined by board of trustees
    - \$5,000 federal threshold (recommended)
    - Useful life of more than one year
    - Examples: school buses, buildings, etc.



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# Pay Special Attention To:

- **Fixed Assets:** XXX-XXX-XXXX-7XX

Must track for Trustees Financial  
Summary Schedule of Changes in Fixed  
Assets

- Acquisition cost per category
- Additions and removals
- Depreciation
  - accumulated
  - Current year by function (XXX-XXX-XXXX-  
750)



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**SCHOOL DISTRICT \_\_\_\_\_**  
**SCHEDULE OF CHANGES IN FIXED ASSETS, DEPRECIATION AND NET FIXED ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2XXX**

	Beginning Balance	Additions	Removals	Ending Balance
<b>GOVERNMENTAL ACTIVITIES: *</b>				
Land				
Land Improvements				
Buildings				
Machinery & equipment				
Construction in progress				
Totals at historical cost				
Less accumulated depreciation for:				
Land improvements				
Buildings				
Machinery & equipment				
Total accumulated depreciation				
<b>Governmental activities, capital assets, net</b>				
<b>BUSINESS-TYPE ACTIVITIES: **</b>				
Land				
Land Improvements				
Buildings				
Machinery & equipment				
Construction in progress				
Totals at historical cost				
Less accumulated depreciation for:				
Land improvements				
Buildings				
Machinery & equipment				
Total accumulated depreciation				
<b>Business-type activities, capital assets, net</b>				

Depreciation by Function for FY20XX	Governmental Activities	Business-type Activities
Instruction (1XXX)		
Support Services (22XX)		
General administration (23XX)		
School administration (24XX)		
Financial administration (25XX)		
Operations and maintenance (26XX)		
Transportation (27XX)		
Food Service (31XX)		
Extracurricular (34XX, 35XX)		
Unallocated		
<b>Total depreciation for FY20XX</b>		

\* Governmental activities are usually reported in the general, special revenue, debt service, capital projects, permanent, and internal service funds. These funds are generally financed through taxes, intergovernmental revenues and other non-exchange revenues.

\*\* Business-type activities are usually reported in the enterprise funds. These funds are financed in whole or in part by fees charged to external parties for goods and services.

# Pay Special Attention To:

- **Incoming Refunds**

Current year:

- Credit expenditure, NOT revenue
- Restores spending authority (budget)

Prior year:

- Material: 6100 Prior Period Adjustment
- Immaterial: 1900 Other Revenue (BAD)
- Don't know if it is material?
  - Ask your auditor
  - 6100 PPA is most conservative



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# Pay Special Attention To:

## Prior Period Expenditure Adjustments

Expenditure applicable to the prior year:

**XXX-999-9999-892** Prior Period Expenditure Adjustments must be within the budget of the fund, per ARM 10.10.305.



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# Pay Special Attention To:

Prior Period Revenue Adjustments  
**XXX-6100** (see SAM 5-0270.20)

- To record the receipt of a material amount of revenue applicable to the prior year
- To record the adjustment for revenue recorded in the prior year which was not applicable to that year



# Pay Special Attention To:

- **Coding Corrections**

- Recoding ***IS NOT*** the same as Transfers!
- Recode to correct:
  - Errors
  - Overdrafts
  - Example: General Fund to subsidize School Foods Fund
- Correction between funds? Notify County Treasurer to move cash!



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# Pay Special Attention To:

- **General Fund 1900 Revenue (X01-1900)**
  - Affects ensuing year budget
  - Use sparingly? Nay, Nay, avoid if at all possible.



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# Pay Special Attention To:

## • Special Ed Expenditures – Program 280

- Great Balancing Act
  - Minimum Expenditures Required (General Fund) – See **Preliminary Budget Data Sheet**
  - Expenditures must be maintained (IDEA Grant)
  - Dick Trerise 444-4429 See his presentation on Thursday! (he said to remind you about coding properly)



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# Gee Steve

- How do I find the Preliminary Budget Data sheet?



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Budgeting Spreadsheets/Worksheets

### Budget News

For Assistance with Budgeting contact [Dennis Clague](#), 406.444.1960 or [Kathleen Wanner](#) 444.9852

[Application for Additional ANB](#)

[SB 329 Codification Correction](#)

[2008 Personal Property and Mobile Home Tax Bills Letter](#)

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County: 48 Stillwater  
District: 0861 Absarokee Elem

There is the amount you have to spend to avoid a “reversion”

### Reimbursement For Disproportionate Costs

	EL	HS	K12
a. FY2010-2011 allowable cost expenditures Total K-12 expenditures prorated by FY11 ANB	85,710.4	0.00	0.00
b. FY2010-2011 amount to avoid reversion	39,469.25	0.00	0.00
c. Reimbursement for disproportionate costs If (a-b) > 0 and a > (b * 1.702039380 ) then [a - (b * 1.702039380)] * 0.4	7,412.93	0.00	0.00

#### 8. FY2013 BUDGET LIMITS:

*a.	Required % of Special Ed Funding in Maximum [MCA 20-9-306(9)]	100%
*b.	BASE Budget	960,477.73
*c.	Maximum Budget Limit	1,200,207.23
*d.	Highest Budget Without A Vote excluding tuition, excess reserves, and other overBASE revenues	1,279,572.75
*e.	Highest Budget With A Vote	1,279,572.75
*f.	Highest Voted Amount (8e-8d)	0.00

#### 9. PRIOR YEAR INFORMATION FOR BUDGETING:

*a.	FY 2011-2012 BASE Budget	960,024.92
*b.	FY 2011-2012 Maximum Budget	1,198,413.68
*c.	FY 2011-2012 ANB	184

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# Paying Bills

- District must receive goods/services prior to paying for them
- Board must approve all warrants prior to release
- Required signatures on warrants:
  - Board chair
  - Clerk



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# Pay Special Attention To:

- **Federal Programs**

Revenue and expenditure program codes match!

Examples:

1. Title I Part A

- Revenue Source: 4200
- Expenditure Program: 420



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# Paying Bills

- Retain documentation for audit trail (retain for 8 years)
  - Pay from invoices only—not statements
  - Retain packing slips to support invoices
  - Auditor specific information in file
    - Coding
    - Warrant number
    - PO
    - Copy of warrant



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**“I’ve been working on ways to wring more work out of you, and I think you’ll be excited to hear what I’ve come up with.”**

# Contact Information

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School Finance Division

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Helena, Montana 59620-2501

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